



Note: this summarizes the complete regulations in effect on July 1, 2014, including the emergency/proposed amendments.

**Complete regulations  
Rate Setting for Non-State Providers:  
IRA/CR Residential Habilitation and Day Habilitation**

**Effective: July 1, 2014**

**Addition of a New Part 641 and Subpart 641-1**

This regulation establishes a new reimbursement methodology for Supervised and Supportive Individualized Residential Alternatives (IRAs) and Community Residences (CRs) and Day Habilitation programs which will be effective July 1, 2014.

The methodology for these programs will include the following elements:

- 1) The use of a base period Consolidated Fiscal Report (CFR) for the period of January 1, 2011 – December 31, 2011 for calendar year filers or the period of July 1, 2010 through June 30, 2011 for fiscal year filers.
- 2) The assignment of geographic location, based on CFR information and consistent with Department of Health regions.
- 3) Operating, facility and capital components. The operating component recognizes a blend of actual provider costs and average regional costs. The facility component recognizes actual provider costs. The methodology for the capital component has not been significantly changed from that of the previous reimbursement methodology. One adjustment to the methodology for the capital component is that initial

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reimbursement will only remain in the rate for two years from the date of site certification unless actual costs are verified with the Office for People With Developmental Disabilities. The other adjustment to the methodology is that the thresholds identified are the maximum allowable amounts and will not be exceeded for property approved by OPWDD on/or after July 1, 2014.

- 4) Wage Equalization factors.
- 5) A Budget Neutrality factor.
- 6) A three year phase-in period for transition to the methodology.
- 7) A new section is added governing funding for those individuals identified as qualifying for template or auspice funding. The funding for IRA/CR residential habilitation and day habilitation provided to these individuals will be determined in accordance with that section instead of the methodology that is generally applicable.

For Supervised and Supportive Community Residences (including IRAs) only, the methodology will include:

An acuity factor developed through a regression analysis and based on Developmental Disabilities Profile information.

For Supervised Community Residences (including IRAs) only, the methodology will incorporate:

- 1) A change in the unit of service from monthly to daily. Commensurate with that change, the methodology will recognize retainer days, therapeutic leave days and vacant bed days.
- 2) The recognition of an evacuation score factor.

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For Day Habilitation programs only, the methodology will include:

The recognition of actual provider to-from transportation costs.